

**REPORT TO MUNICIPAL PUBLIC ACCOUNTS  
COMMITTEE (MPAC) / REPORT TO COUNCIL  
FROM MPAC (FUNCTIONING AS THE OVERSIGHT  
COMMITTEE)**



1. ITEM NUMBER : **C 34/03/14**

2. SUBJECT

**OVERSIGHT REPORT IN RESPECT OF THE 2012/13 ANNUAL REPORTS FOR  
THE CITY OF CAPE TOWN AND ITS MUNICIPAL ENTITIES**

**ONDERWERP**

**TOESIGVERSLAG OOR DIE 2012/13-JAARVERSLAE VIR DIE STAD KAAPSTAD  
EN SY MUNISIPALE ENTITEITE**

**ISIHLOKO**

**INGXELO YOKUBEK' ILISO NGOKUPHATHELELE KWIINGXELO ZONYAKA ZIKA-  
2012/13 ZESIXEKO SASEKAPA NAMAQUMRHU KAMASIPALA**

**LSUE0893b**

3. STRATEGIC INTENT

- ☐ - Opportunity City
- ☐ - Safe City
- ☐ - Caring City
- ☐ - Inclusive City
- ☒ - Well-run City

Objective 5.1: Ensure a transparent and corruption-free government  
Programme 5.1(a): Transparent government and oversight programme

4. PURPOSE

To enable the Municipal Public Accounts Committee (MPAC) to discharge its oversight responsibility in considering the City of Cape Town's Annual Report and those Annual Reports submitted by the Municipal Entities for 2012/13 in terms of Section 129 of the

Local Government: Municipal Finance Management Act (Act No 56 of 2003) (MFMA).

**5. FOR DECISION BY**

☒ This report is for decision by:

- Council
- 

**6. EXECUTIVE SUMMARY**

- 6.1 MFMA Circular Number 32 of March 2006 recommends the establishment of an oversight committee for the detailed analysis and review of the annual report(s), following their tabling in Council, receiving and reviewing representations made by the public, inputs from other councillors and Council Portfolio Committees and then drafting an oversight report that may be taken to full Council for discussion.
- 6.2 MPAC is required to perform the responsibilities of the oversight committee as envisaged in MFMA Circular Number 32 and Section 129 of the MFMA. All Portfolio Committees and Subcouncils were requested to consider the City of Cape Town's annual report and those annual reports submitted by municipal entities for 2012/13, with a view to providing comments to MPAC for inclusion in the oversight report to be prepared by MPAC and adopted by Council on 26 March 2014.
- 6.3 MPAC considered the 2012/13 Annual Report of the City of Cape Town and its Municipal Entities and raised any issues of concern with the Executive Management of the City of Cape Town at a meeting on 21 February 2014. The minutes of that meeting are attached as Annexure "A". Outstanding Comments and Resolutions from the MPAC Oversight Process (7 February 2014, 21 February 2014 and 7 March 2014) in respect of the 2012/13 Annual Report for the City of Cape Town and its Municipal Entities are contained in the schedule attached as Annexure "B". Relevant comments and resolutions made by the Subcouncils are contained in a schedule attached as Annexure "C". A change in process from previous years was that the Annual Report was not submitted to Subcouncils this year as it was tabled at Council (29 January 2014) and the Portfolio Committee meetings during February. In addition, public comments were accommodated at the Subcouncil meetings during February 2014, provided the member of the public reserved a timeslot. The public participation process was therefore limited to Portfolio Committee, Mayco and Council meetings. The report of the Audit Committee was received and is attached as Annexure "D".
- 6.4 In terms of Section 129 of the MFMA the Council must adopt an oversight report containing the Council's comments on the annual report which must include a statement whether the Council:
- (a) Has approved the Annual Report with or without reservations;

- (b) Has rejected the Annual Report; or
- (c) Has referred the Annual Report back for revision of those components that can be revised.

6.5 In terms of MFMA Circular Number 32, in order to approve the Annual Report without reservations, Council should be able to agree that the information contained in the report is a fair and reasonable record of the performance of the municipality in the financial year reported upon. Approval means that the executive and administration have discharged in full, their accountability for decisions and actions and that their performance meets the criteria set by performance objectives and measures and is also acceptable in the community.

## 7. RECOMMENDATIONS

Not delegated: for decision by Council:

It is recommended that:

- (a) Council, having fully considered the 2012/13 annual report of the municipality and representations thereon, adopt the oversight report and approve the annual report without reservations.
- (b) Council, having fully considered the 2012/13 annual report of the municipal entity, Cape Town International Convention Centre Company and representations thereon, adopt the oversight report and approve the annual report without reservations.
- (c) The resolutions in annexure A be supported for action and where applicable be referred to the relevant Portfolio Committees and feedback (where applicable) be provided to the Municipal Public Accounts Committee (MPAC).

## AANBEVELINGS

Nie gedelegeer nie: vir besluitneming deur die Raad:

Daar word aanbeveel dat:

- (a) Die Raad, nadat die 2012/13-jaarverslag van die munisipaliteit sowel as vertoë daaroor deeglike oorweeg is, die toesigverslag aanneem en die jaarverslag sonder voorbehoud goedkeur.
- (b) Die Raad, nadat die 2012/13-jaarverslag van die munisipale entiteit, die maatskappy Cape Town International Convention Centre, sowel as vertoë daaroor deeglik oorweeg is, die toesigverslag aanneem en die jaarverslag sonder voorbehoud goedkeur.
- (c) Die resolusies in bylae A vir aksie gesteun word en waar toepaslik na die

betrokke portefeuljekomitees verwys word en terugvoering (waar toepaslik) aan die munisipale komitee oor openbare rekeninge (MPAC) verskaf word.

## IZINDULULO

### Azgunyaziswanga: iSiggibo seseBhunga:

Kundululwe ukuba:

- a) IBhunga, lakuba liqwalasele ngokuzeleyo ingxelo kamasipala yonyaka ka-2012/13 kwanezingxengxexo ezingeniswe ngayo, malamkele ingxelo yokubek' iliso lize liphumeze ingxelo yonyaka ngaphandle kwemiqathango.
- b) IBhunga, lakuba liqwalasele ngokuzeleyo ingxelo yonyaka yequmrhu likamasipala ka-2012/13, iNkampani yeZiko leeNgqungquthela zamazwe ngamazwe laseKapa kwanezingxengxexo ezingeniswe ngayo, malamkele ingxelo yokubek' iliso lize liphumeze ingxelo yonyaka ngaphandle kwemiqathango.
- c) Makuxhaswe izigqibo ezikwisihlomelo A ukwenzela ukuthatha inyathelo kwaye apho kufanelekileyo mazidluliselwe kwiiKomiti zeMicimbi zamaSebe ezifanelekileyo ngengxelo ebuyayo (apho kufanelekileyo) zinikezelwe kwiKomiti ejongene nee-Akhawunti zikaMasipala zoLuntu.

## 8. DISCUSSION/CONTENTS

### 8.1. Constitutional and Policy Implications

MPAC is required to perform the responsibilities of the Oversight Committee as envisaged in section 129 of the MFMA and MFMA Circular No. 32.

### 8.2. Sustainability Implications

Does the activity in this report have any sustainability implications for the City?	No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/>
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### 8.3. Legal Implications

- (a) Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003)
- (b) Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) Chapter 6, as read with the Local Government: Municipal Systems Amendment Act, 2003 (Act 44 of 2003)
- (c) Local Government: Municipal Structures Act, 1998 (Act 117 of 1998)
- (d) MFMA Circular No. 32 of March 2006 (The Oversight Report)

**8.4. Staff Implications**

Does your report impact on staff resources, budget, grading, remuneration, allowances, designation, job description, location or your organisational structure?

No

☒

Yes

☐
**8.5. Other Services Consulted**

- Executive Management Team
- Portfolio Committees and Subcouncils
- Office of the Auditor-General
- Audit Committee

**ANNEXURES**

Annexure "A": Minutes of the MPAC meeting held on 21 February 2014 to discuss the Annual Report

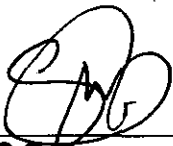
Annexure "B": Outstanding Comments and Resolutions from the Municipal Public Accounts Committee (MPAC) Oversight Process (7 February 2014, 21 February 2014 and 7 March 2014) in respect of the 2012/13 Annual Report for the City of Cape Town and its Municipal Entities

Annexure "C": Schedule containing comments from the Portfolio Committees and the Public

Annexure "D": Report of the Audit Committee

**FOR FURTHER DETAILS CONTACT:**

<b>NAME</b>	Gayle Postings
<b>CONTACT NUMBERS</b>	021 400 9375
<b>E-MAIL ADDRESS</b>	<a href="mailto:Gayle.Postings@capetown.gov.za">Gayle.Postings@capetown.gov.za</a>
<b>DIRECTORATE</b>	Compliance and Auxiliary Services
<b>FILE REF NO</b>	
<b>NAME</b>	Gayle Postings



MPAC CHAIRPERSON

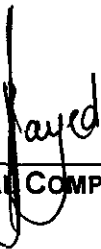
Comment:

NAME

W. S. Mylrose

DATE

7/03/2014



LEGAL COMPLIANCE



REPORT COMPLIANT WITH THE PROVISIONS OF  
COUNCIL'S DELEGATIONS, POLICIES, BY-LAWS  
AND ALL LEGISLATION RELATING TO THE MATTER  
UNDER CONSIDERATION.



NON-COMPLIANT

Comment:

NAME

Rianna Sayed

TEL

021 400 4508

DATE

07.03.2014

Certified as legally compliant:

Based on the contents of the report.



THE SPEAKER

COMMENT:

NAME

DARK SMIT

DATE

10/03/2014

EXECUTIVE DIRECTOR: COMPLIANCE AND  
AUXILIARY SERVICES

*Mod Meewe (Acting)*

☒ SUPPORTED FOR ONWARD SUBMISSION TO  
MAYOR ☒ / MAYCO ☒ / COUNCIL ☒  
☐ NOT SUPPORTED

DATE

*11/3/2014*

☐ REFERRED BACK

COMMENT:

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*P. deLille*

EXECUTIVE MAYOR

☒ SUPPORTED FOR ONWARD SUBMISSION TO  
MAYCO ☒ / COUNCIL ☒  
☐ PC RECOMMENDATION

☐ RECOMMENDATION AS CONTAINED IN  
ORIGINAL REPORT

☐ ALTERNATIVE RECOMMENDATION TO BE  
REFLECTED BELOW

☐ APPROVED I.T.O. DELEGATED AUTHORITY

☐ NOTED

☐ REFUSED

☐ REFERRED BACK

DATE

*13.03.2014*